

REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 2012
FOR
I.P. INTEGRATION GROUP LIMITED

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FOR THE YEAR ENDED 30TH SEPTEMBER 2012

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I.P. INTEGRATION GROUP LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

DIRECTORS: D J Glasgow
J D Little
Adventure Finance Investments Limited
B J Prentis
Mrs C M Prentis

SECRETARY: Ms K N Warrior

REGISTERED OFFICE: Integration House
Turnhams Green Business Park
Pincent's Lane
Reading
Berkshire
RG31 4UH

REGISTERED NUMBER: 04211271 (England and Wales)

AUDITORS: Sproull & Co
Chartered Accountants
Statutory Auditors
31/33 College Road
Harrow
Middlesex
HA1 1EJ

I.P. INTEGRATION GROUP LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30TH SEPTEMBER 2012**

The directors present their report with the financial statements of the company and the group for the year ended 30th September 2012

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the sale and support of telephone systems and the provision of IT services

REVIEW OF BUSINESS

The directors are pleased with the financial results for the year. The group has seen above average industry growth in both revenues and operating profits following the investments made to extend the company's reach into the Mid Corporate marketplace

Overall Revenues grew by 8% on the previous year whilst also increasing the gross profit margin by a similar level to 56%, highlighting the company's continued ability to combat price completion whilst driving sales through adding value to the customer

Contracted recurring revenues are a focus for the company and grew by 30% representing 56% of total overall revenues in 2012, up from 44% in 2011

Network Sales grew 89% following continued success in securing multiyear framework contracts providing significant opportunity for growth over the next few years

Support revenues grew by 9% during the year with the contracted support base also increasing, highlighting the group's ability to secure support wins on multiyear contracts

During the year the group made significant investments in terms of headcount, new HQ and Regional Offices and a refresh of infrastructure to a hosted environment. This investment representing 20% of the administrative expenses has reduced Operating Profit in the year which otherwise would have grown in line with overall performance levels

Key Performance Indicators

Key Performance Indicator	2012	2011
Turnover	£10,904,590	£10,133,919
Gross Margin %	56.0%	54.1%
Administrative Expenses	£5,931,977	£4,782,025
Operating Profit	£149,460	£704,303

Operating profit for the year is stated before restructuring costs of £288,119 which have been excluded and itemised as Exceptional Items due to these being one off costs due to relocation to a new HQ building and restructuring of the Executive Board

Since the year end trading conditions have continued to be maintained, and the directors are confident that the group is on course for a profitable result for the next financial year

Principal risks and uncertainties facing the group

The group continues to address the need to evolve its portfolio of products and services in line with the new technologies and customer requirements. Its ability to continue this evolution and attract sufficient resources with the requisite skills are expected to remain the cornerstone to its continued success

In relation to the key financial risks of price, foreign currency, credit, liquidity, cash flow and interest rate risks, the directors have familiarised themselves with the concepts of these risks and have assessed that at this time there is no significant exposure to the group. The directors will continue to monitor the activities group's to address any significant risks that do arise to ensure these are minimised to the maximum possible extent

I.P. INTEGRATION GROUP LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 30TH SEPTEMBER 2012**

Operational risks stemming from compliance requirements in a number of areas including legal, employment, health and safety and environmental matters, the directors have implemented a number of initiatives during the period to mitigate such risks. These initiatives include significant investment in gaining ISO accreditation in the key areas of

ISO 9001 Quality Management
ISO 14001 Environmental Management
ISO 27001 Information & Security Management

DIVIDENDS

No interim dividends were paid during the year on any of the shares. The directors recommend a final dividend of £10 per share on the Ordinary 10p shares but do not recommend a final dividend on the Preference £1 shares.

The total distribution of dividends for the year ended 30th September 2012 will be £128,860.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st October 2011 to the date of this report.

D J Glasgow
J D Little

Other changes in directors holding office are as follows:

Adventure Finance Investments Limited - appointed 1st January 2012
S P Haggith - resigned 9th February 2012
B J Prentis - appointed 1st July 2012
Mrs C M Prentis - appointed 1st July 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

I.P. INTEGRATION GROUP LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

AUDITORS

The auditors, Sproull & Co , will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD:


D J Glasgow - Director

29th May 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
I.P. INTEGRATION GROUP LIMITED

We have audited the financial statements of I P Integration Group Limited for the year ended 30th September 2012 on pages seven to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30th September 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

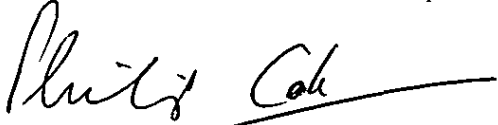
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
I.P. INTEGRATION GROUP LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Philip Cole (Senior Statutory Auditor)
for and on behalf of Sproull & Co
Chartered Accountants
Statutory Auditors
31/33 College Road
Harrow
Middlesex
HA1 1EJ

30th May 2013

L.P. INTEGRATION GROUP LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

		2012	2011
	Notes	£	£
TURNOVER		10,904,590	10,133,919
Cost of sales		<u>4,797,612</u>	<u>4,647,591</u>
GROSS PROFIT		6,106,978	5,486,328
Distribution costs		25,541	-
Administrative expenses		<u>5,931,977</u>	<u>4,782,025</u>
		5,957,518	4,782,025
OPERATING PROFIT	3	149,460	704,303
Exceptional items	4	<u>288,119</u>	<u>237,500</u>
		(138,659)	466,803
Interest receivable and similar income		<u>7,211</u>	<u>6,030</u>
		(131,448)	472,833
Interest payable and similar charges	5	<u>191</u>	<u>19</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(131,639)	472,814
Tax on (loss)/profit on ordinary activities	6	<u>741</u>	<u>8,778</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		(132,380)	464,036

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

L.P. INTEGRATION GROUP LIMITED (REGISTERED NUMBER: 04211271)

CONSOLIDATED BALANCE SHEET
30TH SEPTEMBER 2012

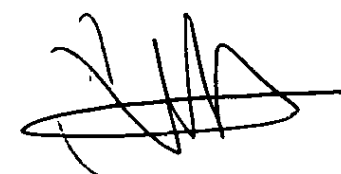
		2012		2011	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		2,542,443		279,320
Tangible assets	10		174,188		118,399
Investments	11		-		-
			<u>2,716,631</u>		<u>397,719</u>
CURRENT ASSETS					
Stocks	12	567,360		471,539	
Debtors	13	2,901,013		3,210,450	
Cash at bank and in hand		1,199,679		1,072,535	
		<u>4,668,052</u>		<u>4,754,524</u>	
CREDITORS					
Amounts falling due within one year	14	4,663,619		2,596,509	
NET CURRENT ASSETS			<u>4,433</u>		<u>2,158,015</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,721,064</u>		<u>2,555,734</u>
CREDITORS					
Amounts falling due after more than one year	15		476,570		50,000
NET ASSETS			<u>2,244,494</u>		<u>2,505,734</u>
CAPITAL AND RESERVES					
Called up share capital	18		491,000		491,000
Profit and loss account	19		1,753,494		2,014,734
SHAREHOLDERS' FUNDS	22		<u>2,244,494</u>		<u>2,505,734</u>

The financial statements were approved by the Board of Directors on 29th May 2013 and were signed on its behalf by

D J Glasgow - Director



J D Little - Director



The notes form part of these financial statements

L.P. INTEGRATION GROUP LIMITED (REGISTERED NUMBER: 04211271)

COMPANY BALANCE SHEET

30TH SEPTEMBER 2012

	Notes	2012 £	£	2011 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		<u>86,685</u>		<u>86,683</u>
			86,685		86,683
CURRENT ASSETS					
Debtors	13	403,320		10,000	
CREDITORS					
Amounts falling due within one year	14	<u>153,435</u>		<u>86,683</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>249,885</u>		<u>(76,683)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			336,570		10,000
CREDITORS					
Amounts falling due after more than one year	15		<u>326,570</u>		<u>-</u>
NET ASSETS			<u>10,000</u>		<u>10,000</u>
CAPITAL AND RESERVES					
Called up share capital	18		<u>10,000</u>		<u>10,000</u>
SHAREHOLDERS' FUNDS	22		<u>10,000</u>		<u>10,000</u>

The financial statements were approved by the Board of Directors on 29th May 2013 and were signed on its behalf by

D J Glasgow - Director

J D Little - Director

The notes form part of these financial statements

I.P. INTEGRATION GROUP LIMITED**CONSOLIDATED CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

		2012	2011
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(55,711)	549,750
Returns on investments and servicing of finance	2	7,020	6,011
Taxation		(8,778)	-
Capital expenditure	2	(117,817)	(95,323)
Acquisitions and disposals	2	(52,710)	-
Equity dividends paid		(128,860)	(138,860)
		(356,856)	321,578
Financing	2	484,000	6,000
Increase in cash in the period		127,144	327,578
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		127,144	327,578
Cash inflow from increase in debt		(480,000)	-
Change in net funds resulting from cash flows		(352,856)	327,578
Movement in net funds in the period		(352,856)	327,578
Net funds at 1st October		1,072,535	744,957
Net funds at 30th September		719,679	1,072,535

The notes form part of these financial statements

I.P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012**1 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2012	2011
	£	£
Operating profit	149,460	704,303
Depreciation charges	52,888	112,942
Loss on disposal of fixed assets	2,129	9
Exceptional items	(288,119)	(237,500)
Increase in stocks	(88,997)	(38,383)
Decrease/(increase) in debtors	1,414,772	(658,304)
(Decrease)/increase in creditors	(1,297,844)	666,683
Net cash (outflow)/inflow from operating activities	<u>(55,711)</u>	<u>549,750</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	7,211	6,030
Interest paid	(191)	(19)
Net cash inflow for returns on investments and servicing of finance	<u>7,020</u>	<u>6,011</u>
Capital expenditure		
Purchase of intangible fixed assets	(13,655)	(38,070)
Purchase of tangible fixed assets	(105,662)	(57,570)
Sale of tangible fixed assets	1,500	317
Net cash outflow for capital expenditure	<u>(117,817)</u>	<u>(95,323)</u>
Acquisitions and disposals		
Purchase of subsidiary undertakings	(565,449)	-
Net cash acquired with subsidiaries	512,739	-
Net cash outflow for acquisitions and disposals	<u>(52,710)</u>	<u>-</u>
Financing		
New loans in year	480,000	-
Amount introduced by directors	4,000	6,000
Net cash inflow from financing	<u>484,000</u>	<u>6,000</u>

The notes form part of these financial statements

I.P. INTEGRATION GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.11 £	Cash flow £	At 30.9.12 £
Net cash			
Cash at bank and in hand	1,072,535	127,144	1,199,679
	<u>1,072,535</u>	<u>127,144</u>	<u>1,199,679</u>
Debt			
Debts falling due within one year	-	(153,430)	(153,430)
Debts falling due after one year	-	(326,570)	(326,570)
	<u>-</u>	<u>(480,000)</u>	<u>(480,000)</u>
Total	<u>1,072,535</u>	<u>(352,856)</u>	<u>719,679</u>

The notes form part of these financial statements

I.P. INTEGRATION GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 30TH SEPTEMBER 2012**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Basis of consolidation

The Group financial statements consolidate the financial statements of I P Integration Group Limited and its subsidiaries. All intragroup balances and transactions are eliminated in full.

Newly acquired subsidiaries IP Professional Services Limited and Micropoint Managed Services Limited have been consolidated from the dates of their acquisition on 7th October 2011 and 15th May 2012 respectively.

Turnover

Turnover represents net invoiced sale of goods and services, excluding value added tax.

Turnover from the provision of goods is recognised when the risks and rewards of ownership of those goods have transferred to the customer. The risks and rewards of ownership are deemed to be transferred when the goods are shipped to the customer.

Turnover in respect of services provided is recognised at determinable points in the contract, such as deposit, installation and completion.

Turnover from the provision of goods and services is only recognised when the amounts to be recognised are fixed or determinable and recovery is reasonably assured.

Goodwill

Business combinations are accounted for using the acquisition method.

Goodwill, being the amounts paid in connection with the acquisition of subsidiaries in 2012 will be amortised on a straight line basis over 10 years, starting in 2013.

Intangible fixed assets

Costs associated with the rebranding of the company have been capitalised and are being amortised over five years.

Costs associated with the assignment of Intellectual Property Rights have been capitalised. The directors believe that the residual value of this asset will be at least equal to its original cost, and therefore any amortisation thereof is immaterial.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33.33% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- at varying rates on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

I.P. INTEGRATION GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

1 ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2 STAFF COSTS

	2012 £	2011 £
Wages and salaries	4,106,172	3,206,131
Social security costs	505,957	352,491
Other pension costs	63,911	62,985
	<u>4,676,040</u>	<u>3,621,607</u>

The average monthly number of employees during the year was as follows

	2012	2011
Management	7	5
Administration	9	7
Sales	14	14
Service and operations	41	32
Development	6	5
	<u>77</u>	<u>63</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Hire of plant and machinery	2,378	5,311
Other operating leases	137,741	125,769
Depreciation - owned assets	50,217	106,592
Loss on disposal of fixed assets	2,129	9
Licences, trade marks and similar rights and assets	2,671	6,350
Auditors' remuneration - audit services	20,931	11,250
Auditors' remuneration for non audit work	645	-
Taxation compliance services	950	1,050
Other non-audit services	5,556	3,700
Foreign exchange differences	2,363	7,729
	<u></u>	<u></u>

I.P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012**3 OPERATING PROFIT - continued**

Directors' remuneration	239,236	322,749
Directors' pension contributions to money purchase schemes	<u>11,050</u>	<u>29,687</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	-----------------	----------

Information regarding the highest paid director is as follows

	2012	2011
	£	£
Emoluments etc	81,968	135,152
Pension contributions to money purchase schemes	<u>-</u>	<u>9,000</u>

4 EXCEPTIONAL ITEMS

The Exceptional item of £288,119 (2011 £237,500) relates to one off costs of relocating to a new HQ office and discretionary payments made to staff over and above their contractual entitlements on the restructuring of the Executive Board

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	<u>191</u>	<u>19</u>

6 TAXATION**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows

	2012	2011
	£	£
Current tax		
UK corporation tax	785	8,778
Deferred tax	<u>(44)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>741</u>	<u>8,778</u>

I P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012**6 TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(131,639)</u>	<u>472,814</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 20 500%)	<u>(26,328)</u>	96,927
Effects of		
Expenses not deductible for tax purposes	3,225	3,259
Capital allowances in excess of depreciation	(9,283)	-
Depreciation in excess of capital allowances	-	833
Enhanced research and development deduction	(95,000)	(92,241)
Loss on disposal of fixed assets	426	-
Pre-acquisition results of subsidiary	6,217	-
Losses available to be carried back or forward	<u>121,528</u>	<u>-</u>
Current tax charge	<u>785</u>	<u>8,778</u>

7 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £100,000 (2011 - £110,000)

8 DIVIDENDS

	2012 £	2011 £
Ordinary shares of 10p each		
Final	100,000	110,000
Preference shares of £1 each		
Final	<u>28,860</u>	<u>28,860</u>
	<u>128,860</u>	<u>138,860</u>

I.P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012**9 INTANGIBLE FIXED ASSETS****Group**

	Goodwill	Licences, trade marks and similar rights	Totals
	£	£	£
COST			
At 1st October 2011	76,680	219,980	296,660
Additions	2,252,139	13,655	2,265,794
Acquisitions	764,646	-	764,646
At 30th September 2012	3,093,465	233,635	3,327,100
AMORTISATION			
At 1st October 2011	-	17,340	17,340
Amortisation for year	-	2,671	2,671
Acquisitions	764,646	-	764,646
At 30th September 2012	764,646	20,011	784,657
NET BOOK VALUE			
At 30th September 2012	2,328,819	213,624	2,542,443
At 30th September 2011	76,680	202,640	279,320

I.P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012**10 TANGIBLE FIXED ASSETS****Group**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st October 2011	179,468	175,970	240,182	595,620
Additions	-	6,782	98,880	105,662
Disposals	-	-	(4,763)	(4,763)
Acquisitions	-	3,425	21,301	24,726
At 30th September 2012	179,468	186,177	355,600	721,245
DEPRECIATION				
At 1st October 2011	163,256	158,604	155,361	477,221
Charge for year	5,404	3,711	41,102	50,217
Eliminated on disposal	-	-	(1,134)	(1,134)
Acquisitions	-	3,425	17,328	20,753
At 30th September 2012	168,660	165,740	212,657	547,057
NET BOOK VALUE				
At 30th September 2012	10,808	20,437	142,943	174,188
At 30th September 2011	16,212	17,366	84,821	118,399

11 FIXED ASSET INVESTMENTS**Company**

	Shares in group undertakings £
COST	
At 1st October 2011	86,683
Additions	2
At 30th September 2012	86,685
NET BOOK VALUE	
At 30th September 2012	86,685
At 30th September 2011	86,683

I.P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 30TH SEPTEMBER 2012**11 FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiaries**I P. Integration Limited**

Nature of business Sale and support of telephone systems

	% holding	2012 £	2011 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		2,457,844	2,505,734
Profit for the year		80,970	464,036

Integration Properties Limited

Nature of business Dormant

	% holding	2012 £	2011 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		1	1

CTI Labs Limited

Nature of business Dormant

	% holding	2012 £	2011 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		1	1

I P Integration Professional Services Limited

Nature of business Dormant

	% holding	2012 £	2011 £
Class of shares			
Ordinary	100 00		
Aggregate capital and reserves		1	1

I P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2012****11 FIXED ASSET INVESTMENTS - continued****Micropoint Managed Services Limited**

Nature of business Provision of IT services

Class of shares	% holding	2012	29 2 12
Ordinary	100 00	£	£
Aggregate capital and reserves		100,659	98,231
Profit for the period/year		2,428	70,063

12 STOCKS

	Group	
	2012	2011
	£	£
Finished goods	567,360	471,539

13 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year				
Trade debtors	2,006,037	2,541,225	-	-
Amounts owed by group undertakings	-	-	393,320	-
Other debtors	150,686	182,561	-	-
Called up share capital not paid	10,000	10,000	10,000	10,000
Prepayments	634,290	376,664	-	-
	2,801,013	3,110,450	403,320	10,000
Amounts falling due after more than one year				
Other debtors	100,000	100,000	-	-
Aggregate amounts	2,901,013	3,210,450	403,320	10,000

I.P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2012****14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 16)	153,430	-	153,430	-
Trade creditors	1,203,466	1,059,148	-	-
Amounts owed to group undertakings	-	-	3	86,683
Taxation	4,240	8,778	-	-
Social security and other taxes	168,366	111,565	-	-
VAT	222,782	275,637	-	-
Other creditors	140,267	119,166	2	-
Directors' current accounts	10,000	6,000	-	-
Accruals and deferred income	2,761,068	1,016,215	-	-
	<u>4,663,619</u>	<u>2,596,509</u>	<u>153,435</u>	<u>86,683</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 16)	326,570	-	326,570	-
Other creditors	150,000	50,000	-	-
	<u>476,570</u>	<u>50,000</u>	<u>326,570</u>	<u>-</u>

16 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year or on demand				
Bank loans	<u>153,430</u>	<u>-</u>	<u>153,430</u>	<u>-</u>
Amounts falling due between one and two years				
Bank loans - 1-2 years	<u>167,147</u>	<u>-</u>	<u>167,147</u>	<u>-</u>
Amounts falling due between two and five years				
Bank loans - 2-5 years	<u>159,423</u>	<u>-</u>	<u>159,423</u>	<u>-</u>

I.P. INTEGRATION GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2012****17 SECURED DEBTS**

The following secured debts are included within creditors

	Company	
	2012	2011
	£	£
Bank loans	<u>480,000</u>	<u>-</u>

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid				
Number	Class	Nominal value	2012	2011
			£	£
100,000	Ordinary	10p	10,000	10,000
481,000	Preference	£1	<u>481,000</u>	<u>481,000</u>
			<u>491,000</u>	<u>491,000</u>

The preference shares represent shares in I P Integration Limited not owned by the parent company

19 RESERVES**Group**

	Profit and loss account £
At 1st October 2011	2,014,734
Deficit for the year	(132,380)
Dividends	<u>(128,860)</u>
At 30th September 2012	<u>1,753,494</u>

Company

	Profit and loss account £
Profit for the year	100,000
Dividends	<u>(100,000)</u>
At 30th September 2012	<u>-</u>

20 RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group

I.P. INTEGRATION GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH SEPTEMBER 2012

21 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr B J Prentis by virtue of his beneficial shareholding in I P Integration Group Limited, the ultimate parent company of the group

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012	2011
	£	£
(Loss)/profit for the financial year	(132,380)	464,036
Dividends	(128,860)	(138,860)
Net (reduction)/addition to shareholders' funds	(261,240)	325,176
Opening shareholders' funds	2,505,734	2,180,558
Closing shareholders' funds	2,244,494	2,505,734

Company

	2012	2011
	£	£
Profit for the financial year	100,000	110,000
Dividends	(100,000)	(110,000)
Opening shareholders' funds	10,000	10,000
Closing shareholders' funds	10,000	10,000